

City of Detroit

CITY COUNCIL

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TO: Dwayne Haywood, Director
Human Services Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 25, 2005

RE: 2005-2006 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2005-2006 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:cyb

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Budget Department Director
Tanya Mason, Budget Department Team Leader
Sean Werdlow, Chief Financial Officer-Mayor's Office
Kandia Milton, Mayor's Office

Department of Human Services (30)

FY 2005-2006 Budget Analysis by the Fiscal Division

Summary

The Human Services Department is a General Fund Agency. The recommended 2005-2006 budgeted appropriations total \$75.3 million, which represents a \$923,000 increase over the current fiscal year budget. The Department's net tax cost to the City has been reduced from \$996,760 to zero. The department is now 100 percent grant funded.

The Mayor recommends a net decrease of 24 positions in the proposed 2005-2006 Budget, resulting in a departmental workforce of 138 total positions of which are all grant positions. The Mayor recommends the elimination of all nine City positions. Fifteen of the 24 eliminated positions are grant funded, while nine are City funded.

2004-2005 Surplus/(Deficit)

The Mayor has estimated an appropriation surplus of \$145,000 for the Human Services Department. The surplus is due to salary savings for the general fund Homeless staff positions and supply expense savings.

Overtime

There is no budgeted salary overtime in the 2004-2005 budget for the Department of Human Services. Through March 31, 2005, the department spent \$36,000 on overtime.

Significant Changes in Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
11607	Community Services Block Grant Administration	The Mayor's Proposed Budget includes \$7,723,218 under this appropriation. This program was under appropriations 11428, 11429, and 11430 for \$7,206,619 in the 2004-2005 Redbook. Factors contributing to this \$516,599 increase include increases in professional and contractual expenses, operating services, and other expenses that were offset by decreases in salary & wages, employee benefits, and operating supplies.
11617	Head Start	The Mayor's Proposed Budget includes \$54,840,201 under appropriations 11617, 11618, 11619, 11620, 11627, 11628 and 11629 for the Head Start & Early Head Start/Youth program. This program was included under appropriations 10837, 11438, 11439, 11441, 11442, 11448, 11450 and 11451 for \$53,893,773 in

the 2004-2005 Redbook.

Factors contributing to this \$946,428 increase include increases in professional and contractual expenses, and other expenses, offset by decreases in salary & wages and employee benefits, operating supplies, and operating services.

11614 Weatherization
& Energy
Assistance

The Mayor's Proposed Budget includes \$5,207,450 under appropriations 11614, and 11615 for the Weatherization and Energy Assistance program. This program was included under appropriations 11431, 11433, 11434, 11435, 11436, and 11447 for \$5,541,179 in the 2004-2005 Redbook.

Factors contributing to this \$333,729 decrease include decreases in operating services and other expenses offset by a increase in professional and contractual expenses.

11621 Drug Treatment

The Mayor's Proposed Budget includes \$2,181,356 under appropriations 11621, 11625, 11719, and 11720 for the Neighborhood Drug Treatment program. This program was included under appropriations 11443, and 111446 for \$2,222,500 in the 2004-2005 Redbook.

Factors contributing to this \$41,144 decrease include decreases in salary & wages, employee benefits, and operating supplies, offset by increases in professional and contractual expenses, operating services and other expenses.

06973 Homeless
Programs

The Mayor's Proposed Budget includes \$4,715,436 for the Homeless Programs. The budget for the Homeless programs was \$4,879,651 under 28 individual appropriations in the 2004-2005 Redbook.

Factors contributing to this \$164,215 decrease include decreases in salary & wages from \$460,492 to zero, due to the transfer of 9 Homeless staff positions to the Economic Development Department (formally Planning & Development); employee benefits, professional and contractual services, and operating services, offset by other expenses, which increases by \$965,632.

Personnel and Turnover Savings

No employee turnover savings have been identified for the Department of Human Services.

Following is information by appropriation comparing budgeted FY 2004-05 positions, March 31, 2005 filled positions and FY 2005-06 recommended positions:

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2004-05</u>	<u>Filled Positions 3/31/2005</u>	<u>Mayor's Budget Positions FY 2005-06</u>	<u>Over/(Under) Actual to 04/05 Budget</u>	<u>Mayor's Recommended Turnover</u>
Human Services (30):					
10077 Emergency Shelter Grant	1	1	0	0	\$ -
10148 Homeless Services-Staff	8	3	0	(5)	\$ -
10837 Youth Activity	1	1	0	0	\$ -
11428 CSBG Administration	35	0	0	(35)	\$ -
11429 Center Operations	45	0	0	(45)	\$ -
11438 Head Start	39	0	0	(39)	\$ -
11439 Head Start-Handicap Services	2	0	0	(2)	\$ -
11443 Drug Treatment	31	0	0	(31)	\$ -
11607 CSBG Administration	0	35	24	35	\$ -
303601 Center Operations	0	34	48	34	\$ -
11617 Head Start	0	39	38	39	\$ -
11618 Handicap Services	0	2	2	2	\$ -
11621 Drug Treatment	0	31	26	31	\$ -
30XXXX Leave of Absence	0	(5)	0	(5)	\$ -
30XXXX Unmatched Positions	0	2	0	2	\$ -
TOTAL	<u>162</u>	<u>146</u>	<u>138</u>	<u>(16)</u>	<u>\$ -</u>

Significant Revenue Changes

State and federal grants are annually fluid – increasing, reducing, being eliminated or being created. The net effect of these changes is that the grants increase by \$2.2 million in 2005-06.

Human Services (30)

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2004-05 Budget</u>	<u>FY 2005-06 Recommended</u>	<u>Increase (Decrease)</u>
Administration & Center Operations	\$ 973,604	\$ 1,112,330	\$ 138,726
Community Programs	464,240	464,240	-
Head Start & Early Head Start/Youth	48,337,769	49,749,690	1,411,921
Weatherization & Energy Assistance	3,874,329	4,146,649	272,320
Neighborhood Drug Program	163,471	304,495	141,024
Homeless Programs	488,096	-	(488,096)
Total	<u>\$ 54,301,509</u>	<u>\$ 55,777,404</u>	<u>\$ 1,475,895</u>

Proposed Layoffs and Vacant Position Reductions

The 2005-2006 Budget proposes a reduction of 24 positions within the Department of Human Services. Thirteen of the 9 positions eliminated from the budget are due to the proposed layoffs.

Title	Deletes	Layoffs	Transfers	Total
Human Services				
Associate Development Spec		(1)		(1)
Sr Community Services Asst		(1)		(1)
Clinic Nurse		(1)		(1)
Sr Substance Abuse Counselor		(1)		(1)
Substance Abuse Counselor		(1)		(1)
Office Asst III		(1)		(1)
Building Operator I			(1)	(1)
Building Attendant A			(3)	(3)
Sr. Building Attendant			(2)	(2)
Delivery-Driver			(4)	(4)
Sr. Development Spec	(1)	(1)	(1)	(3)
Manager I - Human Services		(1)	(1)	(2)
Office Asst I	(1)			(1)
Prin Soc Plan & Dev Spec		(1)		(1)
Prin Development Spec			(1)	(1)
TOTALS	<u>(2)</u>	<u>(9)</u>	<u>(13)</u>	<u>(24)</u>

Issues and Questions

1. Community Program–BG, Drug Treatment, Head Start/Youth, and Homeless programs are slated to lose 8, 5, 2, and 9 positions respectively in the 2005-06 FY (24 total). How will the loss of these positions impact the overall operation of these programs?
2. Does the department have performance measures in place to determine the progress and effectiveness of these various programs?
3. What is the department doing to solicit additional funding from federal and state sources? Does the department coordinate its efforts with the City's Grants Acquisition section?

Weatherization and Energy Assistance

(Pg. 30-18): Under performance measures, each one of the targets in this category are targeted to increase in the 2005-06 fiscal year, over the 2004-05 projections, despite the fact that funding for this program decreases by \$333,000.

- Are these projections realistic considering the funding reduction?

IC:DH